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January 6, 2006

Dorothy Hains
Arizona Corporation Commission
1200 W Washington Street
Phoenix, AZ 85007

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AZ CORP COMMISSION
DOCUMENT CONTROL

**RE: Hassayampa Utilities Company
Application for a Certificate of Convenience and Necessity
Docket No. SW-20422A-05-0659 Response to Insufficiency Letter**

Dear Dorothy:

Thanks for your continued work on the Hassayampa Utilities Company application for a CC&N formation. I have taken the liberty of paraphrasing the questions from your e-mail of 3 January 2006 and supplying the answers below:

1. The Company states that the sewer bill will be based on the water meter size. Because water is serviced by another facility, Water Utility of Greater Tonopah, Inc. (WUGT), please discuss how the Company will be notified as to what size meter each individual lot owner has?

Response: When applying for service, the applicant will be required to provide and document the water meter size. Assistance will be provided as necessary to help applicants determine and report the correct size. We will request from the WUGT confirmation of the meter size for each property served.

2. Some lot owners install two or more smaller size meters instead of one large size meter. Examples include where one is for drinking and inside-the-home water use, and the others for irrigation or animal feeding use; or in the case of a school, a large meter for irrigation use and smaller meter for drinking water use are installed. We understand you assume only drinking water will be wasted into sewer system, not the irrigation water. How will Hassayampa Utilities Company, Inc. (HUC) not make the mistake to bill only on the drinking water meter?

Response: The flat rate sewer fee will be established on the size of the potable water meter. This information, collected from the customer and verified by direct communication with WUGT, will establish the sewer fee. In the case of the school and other large irrigation customers, that water will be reclaimed water, thus the meter and account associated with it would be through HUC.

3. In the Company's response to question 4 in the letter of 20 October 2005, a breakdown of costs included in the \$15.2 million estimate for the wastewater treatment plant was provided. Please briefly state pipe size, length, material of force mains, gravity lines and reuse transmission.

Response: A preliminary Master Plan has been developed for the HUC's service area. Following is the estimate of the infrastructure needs used to develop Schedule 1a:

GLOBAL WATER MANAGEMENT, LLC

Deer Valley Financial Centre
22601 North 19th Avenue
Suite 210
Phoenix, Arizona 85027
phone 623.580.9600
fax 623.580.9659

Item	Year 1	Year 2	Year 3	Year 4	Year 5	Material *
Gravity Trunk Sewer						
24"	8400					HDPE
15"	5400					PVC
12"				1500	2500	PVC
10"	4450	2900			1800	PVC
8"			7200			PVC
Forcemain	1700					PVC
Reclaimed Water Line						
15"	18600					PVC

*Ductile Iron may be used for special installation and construction situations such as those requiring a better weight bearing material

4. Please clarify if the estimated \$ 0.7 million of pumping equipment is only for pumping devices in the treatment plant.

Response: The \$720,000 in Schedule 1a, Account No. 371, is for the treatment plant pumping needs.

5. Please clarify if there was a revision between the HUC estimated \$1.02 million (see schedule 1a in the application) instead of \$1.3 million in the referenced 10/20/05 letter for reuse transmission lines, Account No. 374.

Response: The summary presented in the 10/20/05 letter was as follows:

"The \$15.2 Million construction cost for Phase 1 of HRWRF represents all utility-installed infrastructure, including the main influent lift station, forcemains, sewers, reclaimed water lines, effluent management facilities etc. The breakdown is shown in Schedule 1a marked exhibit T-5 in the application, with account number items over \$500,000 as follows:

<u>Account No.</u>		
360	Collection Sewers - Force:	\$1.2 Million
361	Collection Sewers - Gravity:	\$4.9 Million
371	Pumping Equipment:	\$0.7 Million
374	Reuse Transmission and Distribution:	\$1.3 Million
380	Treatment and Disposal Equipment (treatment plant):	\$5.0 Million
382	Outfall Sewer lines:	\$0.9 Million
	<u>Other related Equipment (other accounts):</u>	<u>\$1.2 Million</u>
	TOTAL	\$15.2 Million"

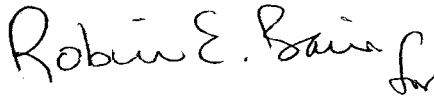
The \$1.02 million is for Year 1, while the \$1.3 million is the total for 5 years. Schedule 1a shows \$1.02 million for Year 1 and another \$300,000 for Year 3, for this \$1.3 million total.

6. The Company indicated that separate reuse meters will be installed for reuse customers. According to schedule 1a, you estimate \$15,000 value of reuse meters will be installed in the first year. Please show the reuse meter installation tariff which is not attached in the application.

Response: The \$15,000 figure refers to the utility installed meters for monitoring flow to the various re-use reclaimed water storage facilities, not a tariffed customer meter fee.

We trust these responses are satisfactory for the referenced application to meet sufficiency. If you have any further questions, please feel free to contact me or Robin Bain at 623-580-9600.

Sincerely,
GLOBAL WATER RESOURCES, LLC
HASSAYAMAPA UTILITIES COMPANY, Inc.



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